



## ***Corporate Governance Compliance Rating Report***



***Türkiye Sigorta A.Ş.***

25 October 2022

Validity Period : 25.10.2022-25.10.2023

## LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Kurumsal Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for **Türkiye Sigorta Anonim Şirketi**;

It has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Kurumsal Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 117 copies of documents, data and files transmitted by the concerned firm electronically, including data open to general public and interviews and examinations made with the relevant company officials by our experts.

Kobirate Kurumsal Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. Has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Directives on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website ([www.kobirate.com.tr](http://www.kobirate.com.tr)).

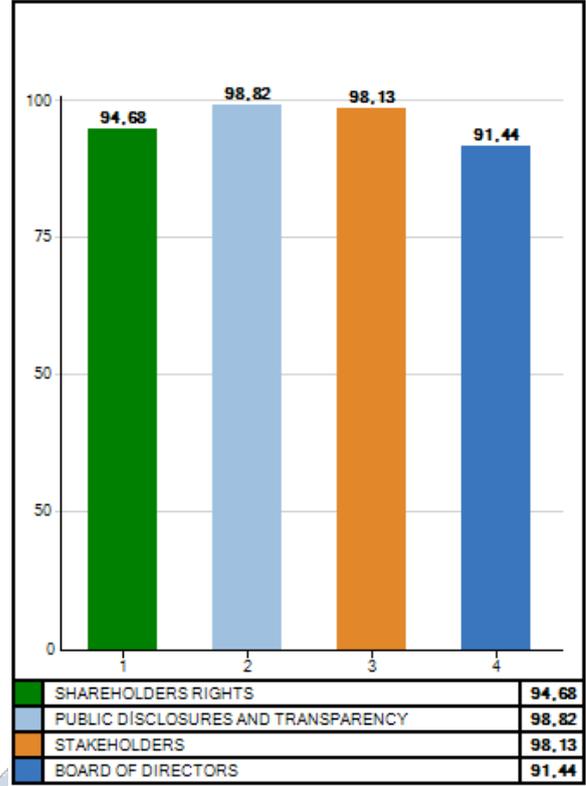
Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Kurumsal Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBIRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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### CORPORATE GOVERNANCE COMPLIANCE RATING SUMMARY

Corporate Governance Compliance Rating Report prepared by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. regarding the rating of the compliance of **Türkiye Sigorta A.Ş.** with Corporate Governance Principles, has been prepared based on the documents, information, data disclosed to the public, interviews with the executives and relevant persons, and other detailed examinations and observations under 117 files sent by the relevant company electronically.

The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.Ş. In the methodology and rating process, the Corporate Governance Communiqué numbered II-17.1 published in the Official Gazette dated 03.01.2014 and numbered 28871 and good corporate governance practices have been taken as basis.

According to the Capital Markets Board's bulletin dated 13.01.2022 and numbered 2022/2, Türkiye Sigorta A.Ş. is included in the

**BIST 1st Group Companies** list. The Company has been evaluated through examination of **456** criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies".

At the end of examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, Corporate Governance Compliance Rating Grade of Türkiye Sigorta A.Ş. has been revised as **9.51**.

This result shows that the Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Potential risks, which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are at a good level. Interests of the stakeholders are fairly considered. The structure and working conditions of the board of directors are in line with corporate

governance principles, but although they do not pose major risks, they need some improvements within the framework of corporate governance principles.

With this result, Türkiye Sigorta A.Ş. has earned the right to remain in the BIST Corporate Governance Index.

In view of rating process under main headings in brief;

In the **Shareholders** section, the company's rating has been revised to **94,68**. It was observed that the company complied with the CMB Corporate Governance Principles at a good level. The existence of the Investor Relations Unit, where the relations with the shareholders are maintained in a healthy manner, that the General Assemblies are held in accordance with the procedure, that special audits are carried out in the management of the Company and that there are no practices that make it difficult to exercise the Voting Rights, that minority rights are paid attention to, that a Dividend Distribution policy has been created and made public, and that there are no restrictions on the Transfer of Shares stand out as positive practices.

In the **Public Disclosure and Transparency** section, the company's rating was revised as **98,82**. Türkiye Sigorta A.Ş. created the Information Policy, presented it to the General Assembly and disclosed it to the public. The company's corporate website has been designed to allow investors access to information they require and described by Principles. It has been seen that the annual report is sufficient in terms of content and the information given is reinforced with graphics. With these practices, the company has achieved a good level of compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **98,13** in the section of **Stakeholders**.

In this section, the company has significantly complied with the CMB's Corporate Governance Principles. The Company has protected the rights of stakeholders, which are

regulated by legislation and mutual agreements, in its transactions and activities. Human resources policy has been prepared. Issues concerning employees, such as recruitment, job descriptions, performance evaluation, promotion, rewarding, leaves, and social rights have been regulated and disclosed to the employees. Training policies were created, annual training programs were prepared, and employees were informed about them.

The Company takes all kinds of measures to ensure customer satisfaction in the marketing and sales of its goods and services.

Ethical Rules and Working Principles have been established and necessary information has been provided and shared with the public in order for the employees to act in accordance with these rules.

The Board of Directors has determined the priority issues, risks, and opportunities of ESG (Environmental, Social, Corporate Governance) and has created appropriate ESG policies and shared the sustainability approach with the public. It discloses its activities within the scope of corporate social responsibility to the public through its corporate website and annual activity reports.

In the **Board of Directors** section, the company's rating was revised as **91,44**.

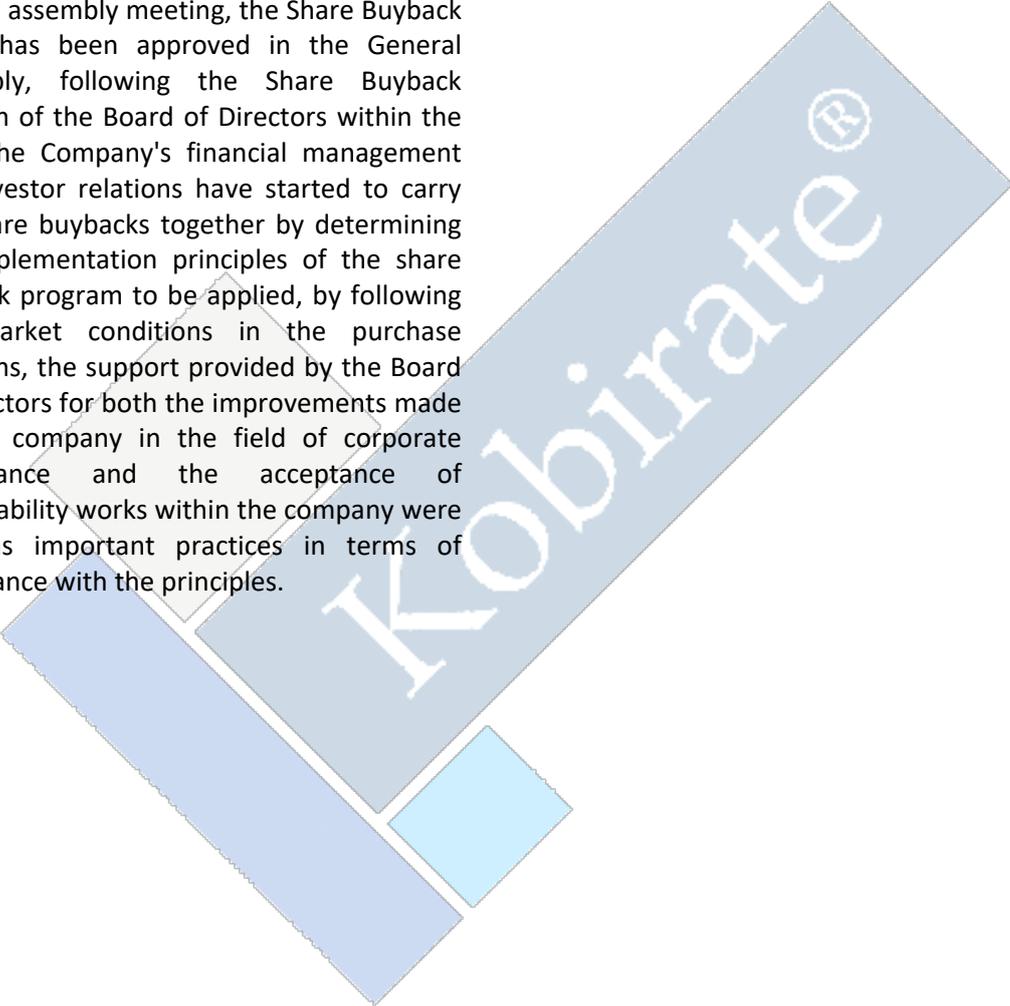
It has been seen that the Board of Directors has set Company's strategic goals, audits the performance of company management, and pays further attention to company affairs to be in compliance with the legislation, the Articles of Association, and internal regulations.

There are no executives with sole discretion authority in the company.

It has been seen that the board of directors meets regularly in accordance with the articles of association. Meeting procedures are written in Articles of Association and internal regulations.

The Audit, Corporate Governance and Early Risk Detection Committees, referred to by the principles, have been established, their working principles have been prepared as written documents.

On the other hand, that the majority of the members of the board are non-executive members, there is a minimum number of independent members, the principles of remuneration of the members of the board of directors and senior executives have been determined and submitted to the information of the shareholders as a separate item at the general assembly meeting, the Share Buyback Policy has been approved in the General Assembly, following the Share Buyback decision of the Board of Directors within the year, the Company's financial management and investor relations have started to carry out share buybacks together by determining the implementation principles of the share buyback program to be applied, by following the market conditions in the purchase decisions, the support provided by the Board of Directors for both the improvements made by the company in the field of corporate governance and the acceptance of sustainability works within the company were seen as important practices in terms of compliance with the principles.



## 2. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non – binding principles.

The fact that principles are open to change in time was also accepted at this work. Although at first these principles were focused on the companies whose shares were quoted in stock exchange, it was emphasized by OECD that it would be also useful to implement these principles in public enterprises and companies whose shares were not quoted in stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders, companies, and stakeholders throughout the world.

Since their approval, these principles kept the concept of corporate governance on the agenda and became guidelines for the laws and regulations in OECD members, as well as other countries.

In OECD Corporate Governance Principles, corporate governance is based on four basic principles, which are fairness, transparency, accountability, and responsibility.

Turkey has been closely monitoring these developments. A working group, established within TUSIAD in 2001, prepared the guide, titled, "Corporate governance: The best

implementation code". Then CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013,2014 and 2020 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

The CMB has decided to create a new corporate governance reporting framework, and the new framework has been shared with the public with the Capital Markets Board Bulletin dated 10.01.2019 and numbered 2019/2 and the announcement dated 11.01.2019. Within the scope of the new reporting framework, it has been decided that the explanations will be made in the following order. Disclosure of the Compliance Report Format ("CRF") to report compliance with voluntary principles, and disclosure of the Corporate Governance Information Form ("CGIF") to provide information on current corporate governance practices. In accordance with the Turkish Commercial Code and the CMB's Corporate Governance Communiqué (II-17.1), CRF and CGIF must be announced on the Public Disclosure Platform at least three weeks before the date of the general assembly meeting, on the same date as the annual activity reports, and before the due date of the announcement period of the annual financial reports on the Public Disclosure Platform.

The Communiqué on Amending the "Corporate Governance Communiqué (II-17,1)" published in the Official Gazette numbered 31262 on October 2, 2020, by the Capital Markets Board (II-17,1.a) and regulations regarding the voluntary sustainability principles compliance framework were included.

The compliance framework has been published on the Capital Markets Board website. The Sustainability Compliance Framework is

examined under the Headings A- General Principles B- Environmental Principles C- Social Principles D- Corporate Governance Principles.

The practice has been determined according to the "Comply or Explain" principle. It is anticipated that the annual reports include whether the sustainability principles are applied or not, and if not, a reasoned explanation and an explanation of the effects that have occurred. In case of a significant change during the period, it is anticipated that the relevant change will be included in the interim annual reports.

The principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders, and the Board of Directors.

The Corporate Governance Compliance Rating Methodology revised on February 2022, has been prepared by Kobirate A.Ş. for companies whose shares are traded on BIST, banks, investment partnerships and non – quoted companies.

It has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17,1) (II-17,1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871.

In this analysis, the full compliance of workflow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

**456 criteria are used in the rating process for BIST 1st Group Companies** in order to measure the compliance of firms with corporate governance principles.

These criteria are translated into "Corporate Governance Rating Question Sets" through Kobirate A.S.'s unique software named as PERFECTRATE.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB's memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as below:

Shareholders 25 %  
Public Disclosure and Transparency 25 %  
Stakeholders 15 %  
Board of Directors 35 %

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions / methods into the methodology in order to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

In the FEBRUARY 2022 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by CMB Communiqué of Corporate Governance published on 03.01.2014 is restricted to 85 % of the full points.

A rating is made with a system that completes the section grades up to 100 by the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate governance principles, and the different good corporate governance practice criteria determined by our company.

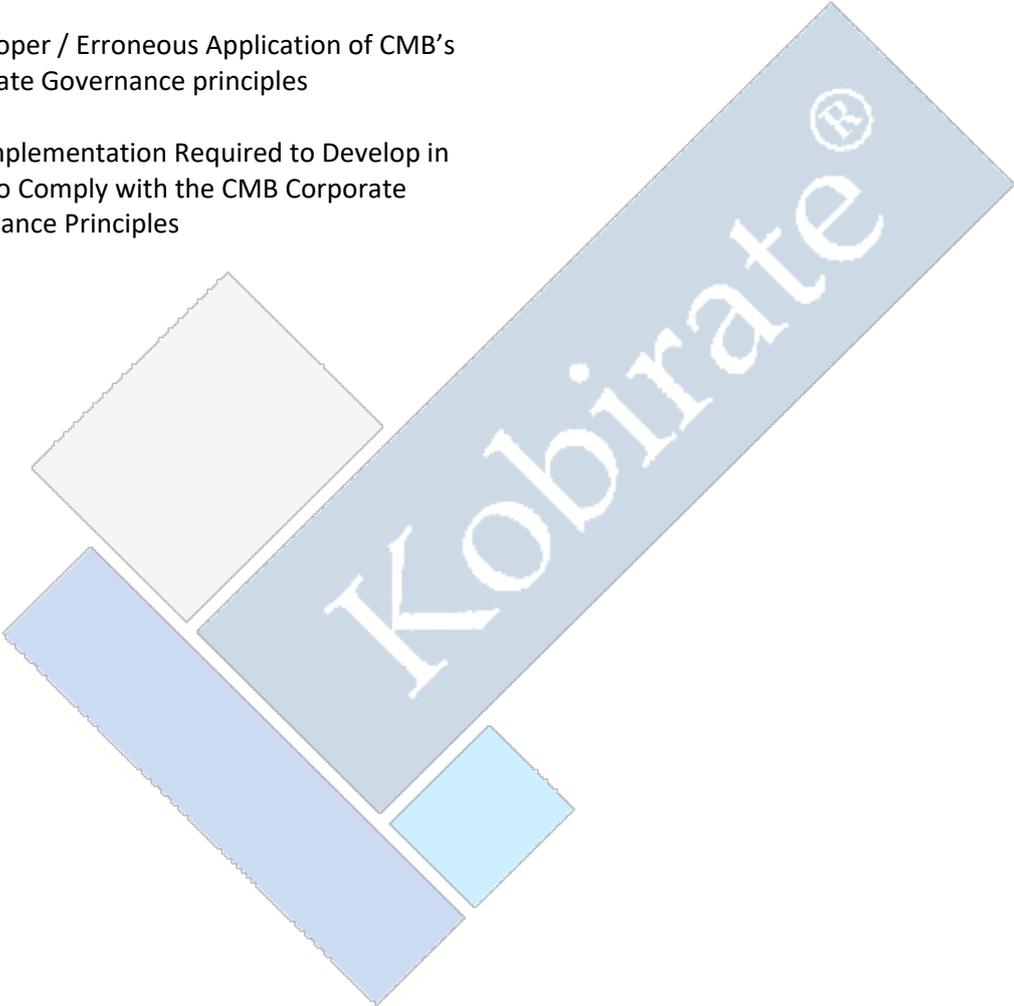
The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, “10” points mean excellent, full compliance with CMB’s Corporate Governance Principles while grade “0” means that there is no compliance with CMB’s Corporate Governance Principles, in any sense, in the existing weak structure.

In this report the following legends have the following meanings:

✓ Due / Correct Application of CMB’s Corporate Governance Principles

✗ Improper / Erroneous Application of CMB’s Corporate Governance principles

✓/✗ Implementation Required to Develop in order to Comply with the CMB Corporate Governance Principles



## 2. COMPANY PROFILE



<b>Company Name</b>	: Türkiye Sigorta A.Ş.
<b>Company Address</b>	: Büyükdere Cad. No:110 34394 Esentepe Şişli/İSTANBUL
<b>Company Phone</b>	: (0212) 310 12 00 0 850 202 20 20
<b>Company Fax Number</b>	: (0212) 355 64 64
<b>Email</b>	: <a href="mailto:bilgi@turkiyesigorta.com.tr">bilgi@turkiyesigorta.com.tr</a>
<b>Company's Web Address</b>	: <a href="http://www.turkiyesigorta.com.tr">www.turkiyesigorta.com.tr</a>
<b>Registered Number</b>	: 66019
<b>Date of Incorporation</b>	: 17.09.1957
<b>The company Mersis No:</b>	: 0434005698400014
<b>Paid-in Capital</b>	: 1.161.523.363 TL
<b>Registered Capital Ceiling</b>	: 5.000.000.000 TL
<b>Line of Business</b>	: Non-life insurance activities
<b>Company's Sector</b>	: Non-life insurance
<b>Audit Authority</b>	: CMB,SEDDK,

<b>Company's Representative in Charge of Rating:</b>
<b>Umut KOVANCI</b>
<b>Investor Relations Director</b>
<a href="mailto:umut.kovanci@turkiyesigorta.com.tr">umut.kovanci@turkiyesigorta.com.tr</a>
<b>(0212) 310 12 09</b>

## Brief History of the Company

Based on the approval granted by the Insurance and Private Pension Regulation and Supervision Agency with the letter dated June 23, 2020 and numbered 97354901-010.99-01/41 and the announcement text approved by the decision dated July 16, 2020 of the application made to the Capital Markets Board for merger on June 30, 2020;, the merger of Ziraat Sigorta A.Ş. and Halk Sigorta A.Ş. with all their assets and liabilities was approved by Güneş Sigorta through dissolution without liquidation at the Extraordinary General Assembly of the Company held on August 27, 2020 and the Company was renamed as Türkiye Sigorta A.Ş. On August 27, 2020, the Company's capital was increased to TRY 1.161.523.363 with the decision taken at the Extraordinary General Assembly dated August 27, 2020, and the capital increase in question was covered by the acquisition of Ziraat Sigorta A.Ş. and Halk Sigorta A.Ş. with all their assets and liabilities as a whole through dissolution without liquidation in accordance with the relevant legislation. The Company was registered on August 31, 2020, with the Extraordinary General Assembly resolutions dated August 27, 2020, and it was announced in the Trade Registry Gazette dated September 3, 2020.

The main shareholder of Türkiye Sigorta is TWF Management Co. TWF owns 100% of TWF management Co. and is an indirect partner. The share of TWF, the controlling shareholder of the company, in the Company's capital is 81,10% and the share of shares traded on the Stock Exchange is 18,90%.

Türkiye Sigorta started to provide services in elementary insurance branches as of August 31, 2020, when the public insurance companies Ziraat Sigorta, Halk Sigorta and Güneş Sigorta joined forces in order to increase the savings base of the Turkish economy and to develop the non-banking financial sector, within the framework of the New Economy Program of the Ministry of Treasury and Finance.

Headquartered in Istanbul, Türkiye Sigorta has 6.1 million customers. In addition, it has a wide and strong service network with 14 agency regional directorates, 9 bancassurance regional directorates, 4.108 agencies, 4.604 bank branches, 121 brokers and 391 direct selling teams.

Being the leader of the insurance industry with 11 billion 246 million TL premium production and 14,5% market share as of the second quarter of 2022, Turkey Sigorta's asset size has reached 18 billion 310 million TL and its net profit in the second quarter is 314 million 779 thousand TL. Türkiye Sigorta A.Ş., which is the leader of the insurance industry in our country, serves its customers with 1.459 employees in the branches of Fire and Natural Disasters, Transport, Water Vehicles, Land Vehicles, Land Vehicles Liability, Accident, Aircraft, Aircraft Liability, General Damages, General Liability, Legal Protection, Credit, Illness/Health, and Financial Loss in field of non-life insurance.

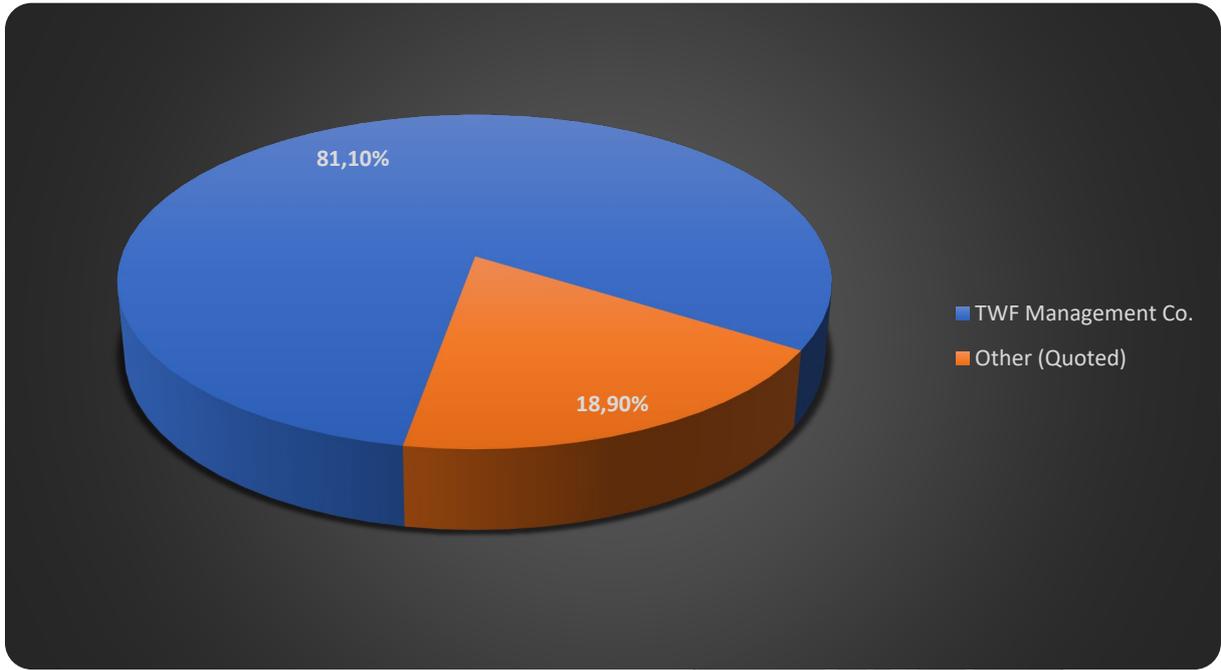
The **vision** of Türkiye Sigorta is;

To be recognized as a global technology company in ten years, with the understanding of bringing the insurance experience from "after" to "before", offering solutions for the need of security at every moment of life for everyone who dreams of a bright future, and using its power for good.

And the **mission** is; Türkiye Sigorta, whenever you need trust.

Being a member of the Turkish Insurance Association and the Turkish Investor Relations Association, the Company has ISO 9001- Quality Management System, ISO 18295-1/2:2017 - Customer Relationship Management and ISO 10002:2018 Customer Satisfaction Management System Quality Certificates.

### Shareholder Structure (as of date of this report)



Source: [www.kap.org.tr](http://www.kap.org.tr)

Shareholder Name	Share Amount (TL)	Share (%)
TWF MANAGEMENT CO.	942.015.416,92	81,10
OTHER (QUOTED)	219.507.946,08	18,90
<b>TOTAL</b>	<b>1.161.523.363</b>	<b>100,00</b>

Source: [www.kap.org.tr](http://www.kap.org.tr)

### Board of Directors

Name/ Surname	Title	Executive/ Non - Executive	Date of Inauguration
Aziz Murat <b>ULUĞ</b>	Chairman	Non - Executive	31.03.2021
Atilla <b>BENLİ</b>	Deputy Chairman General Manager	Executive	16.01.2019
Murat <b>AKGÜÇ</b>	Member of Board of Directors	Non - Executive	31.03.2021
Muhammed Mahmut <b>ER</b>	Member of Board of Directors	Non - Executive	10.09.2020
Murat <b>AKBALIK</b>	Independent Member of Board of Directors	Non - Executive	02.06.2020
Mehmet <b>AYDOĞDU</b>	Independent Member of Board of Directors	Non - Executive	02.06.2020

Source: [www.kap.org.tr](http://www.kap.org.tr)

According to Article 9 of the Articles of Association, the members of the Board of Directors can be re-elected for a maximum of 3 years, and the members whose terms have expired can be re-elected. The term of office of the General Manager is not dependent on the term of office of the members of the Board of Directors. In order for the decisions of the Board of Directors to be valid, the majority of the members must attend the meetings. Decisions are taken with the majority of the members attending

the meeting. This rule also applies if the Board of Directors meeting is held electronically. There was no change in the members of the Board of Directors during the rating period, and the existing members were re-elected as members of the Board of Directors at the General Assembly meeting dated 28.03.2022.

### Committees Formed Within Board of Directors

The members of the Company's Audit, Corporate Governance and Early Detection of Risk Committees are listed below. No Nomination and Remuneration Committees have been established in the company, and the duties of these committees are fulfilled by the Corporate Governance Committee in accordance with the revised Corporate Governance Regulation dated 05.02.2018.

Committee	Committee Members	Position within Committee	Position in Company
Audit Committee	Murat <b>AKBALIK</b>	Chairman	Independent Member of Board of Directors
	Mehmet <b>AYDOĞDU</b>	Member	Independent Member of Board of Directors
	Gürdoğan <b>YURTSEVER</b>	Member	Head of Internal Systems
CORPORATE GOVERNANCE COMMITTEE	Murat <b>AKBALIK</b>	Chairman	Independent Member of Board of Directors
	Murat <b>AKGÜÇ</b>	Member	Member of Board of Directors
	Fulden <b>PEHLİVAN</b>	Member	Investor Relations Manager
Early Detection of Risk Committee	Murat <b>AKBALIK</b>	Chairman	Independent Member of Board of Directors
	Mehmet <b>AYDOĞDU</b>	Member	Independent Member of Board of Directors
	Murat <b>SÜZER</b>	Member	Deputy General Manager

### Top Management of the Company

Name/ Surname	Title	Date of Inauguration
Atilla <b>BENLİ</b>	General Manager	16.01.2019
Bilal <b>TÜRKMEN</b>	Deputy General Manager	15.06.2020
Doğukan <b>KARAKAYA</b>	Deputy General Manager	22.06.2020
Fatih <b>YILDIZ</b>	Deputy General Manager	15.06.2020
Kürşat <b>PEDİS</b>	Deputy General Manager	02.06.2021
Murat <b>SÜZER</b>	Deputy General Manager	15.12.2020
Nurcan <b>TUNÇDÖKEN</b>	Deputy General Manager	01.10.2021
Remzi <b>DUMAN</b>	Deputy General Manager	01.05.2019
Sevda <b>MERSİN</b>	Deputy General Manager	01.10.2021
Şebnem <b>ULUSOY</b>	Deputy General Manager	10.08.2020
Tuba <b>BULDU</b>	Deputy General Manager	01.09.2022
Gürdoğan <b>YURTSEVER</b>	Head of Internal Systems	20.12.2021

Changes made in top management during the rating period; Güray Çelik and Volkan Sinan, who were appointed as Deputy General Managers on 15 December 2020, resigned from their duties on 1 March

2022. Tuba BULDU started to work as Deputy General Manager on 01.09.2022. Gürdoğan Yurtsever was appointed as the Head of Internal Systems on 20 December 2021. The top management of the company also serves as the top management of Türkiye Hayat ve Emeklilik A.Ş.

### Information Related to the Subsidiaries, Financial Fixed Assets and Financial Investments

All subsidiaries and affiliates of the company are listed in the table below. Following Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş.'s 40 million TL capital increase by bonus issue to be covered from its 2020 profit, the share of participation remained 0,87% as a result of the participation of Türkiye Sigorta in the capital increase made in 2021. 100% capital increase of Vakıf Finansal Kiralama A.Ş. was enlisted and its share remained the same. OSEM Sertifikasyon A.Ş. has been included in the list of affiliates with the purchase of 100% of its shares by the Company on 08.11.2021.

Trade name	Line of Business	Paid in/Issued Capital	Company's Share in Capital	Currency	Company's Share in Capital (%)	The Nature of the Relationship with the Company
<b>OSEM Sertifikasyon A.Ş.</b>	Spare Parts and Vehicle Maintenance Services Certification Service	8.000.000	8.000.000	TL	100	<b>SUBSIDIARY</b>
<b>Türk P ve I Sigorta A.Ş.</b>	Insurance	80.000.000	40.000.000	TL	50	<b>SUBSIDIARY</b>
<b>Vakıf Finansal Kiralama A.Ş.</b>	Leasing	600.000.000	25.100.000,52	TL	4,18	<b>AFFILIATE</b>
<b>Vakıf Faktoring A.Ş.</b>	Factoring	450.000.000	61.674.107	TL	13,71	<b>AFFILIATE</b>
<b>Vakıf Menkul Kıymetler Yatırım Ortaklığı A.Ş.</b>	Securities Investment Trust	30.000.000	46.850,72	TL	0,16	<b>AFFILIATE</b>
<b>Vakıf Pazarlama Sanayi ve Ticaret A.Ş.</b>	Marketing	100.000.000	9.760.799,9	TL	9,76	<b>AFFILIATE</b>
<b>Türkiye Hayat ve Emeklilik A.Ş.</b>	Pension	755.752.390	55.650.000	TL	7,36	<b>AFFILIATE</b>
<b>Tarım Sigortaları Havuz İşletmesi A.Ş.</b>	Insurance	29.315.869	1.274.603	TL	4,35	<b>AFFILIATE</b>
<b>Vakıf İnşaat Restorasyon ve Ticaret A.Ş.</b>	Construction	52.548.280,6	1.003.770	TL	1,91	<b>AFFILIATE</b>
<b>Vakıf Enerji ve Madencilik A.Ş.</b>	Energy and Mining	85.000.223	1.503.860	TL	1,77	<b>AFFILIATE</b>
<b>Taksim Otelcilik A.Ş.</b>	Tourism	350.000.000	5.015.500	TL	1.43	<b>AFFILIATE</b>
<b>Vakıf Gayrimenkul</b>	Real Estate Investment Trust	1.145.000.000	7.974.238,8	TL	0,7	<b>AFFILIATE</b>

<b>Yatırım Ortaklığı A.Ş.</b>						
<b>Vakıf Yatırım Menkul Değerler A.Ş.</b>	Investment Securities	250.000.000	625.000	TL	0,25	<b>AFFILIATE</b>
<b>Ziraat Katılım A.Ş.</b>	Banking	1.750.000.000	1	TL		<b>AFFILIATE</b>

Source: [www.kap.gov.tr](http://www.kap.gov.tr)

### Comparison of the company's summary financial data on selected items

The Company prepares its financial statements in accordance with the Insurance Law and regulations published by the SEDDK. Some selected balance sheet items and financial ratios of the company for the periods 2020/12 and 2022/12 are given in the table below.

### The Company's Financial Data supports the sustainability of Corporate Governance Compliance.

	2020/12 (Thousand TL)	2021/12 (Thousand TL)
Total Assets	11.064.114.586	14.351.084,7
Total Liabilities	7.604.613,5	10.131.018,8
Shareholders' Equity	3.459.501,0	4.220.065,9
Premium Production	8.887.128,1	11.749.646,5
Gross Paid Damages	(2.439.351,3)	(3.769.970,1)
Operating Expenses	(922.400,7)	(956.720,5)
Investment Income	1.160.393,7	2.384.794,5
Investment Expenses	(908.496,4)	(2.095.222,4)
Technical Dept. Balance	1.340.620,6	1.297.036,8
Net Profit	1.153.019,2	1.058.300,9
Cash ratio	%90	%83
Liquidity ratio	%122	%118
Current ratio	%129	%126
Return on Assets Ratio	%12	%8
Return on Equity Ratio	%39	%28
Conservation Ratio	%41	%42
Net Loss/Premium Ratio	%57	%76
Net Commission Ratio	%11	%10
Net Expense Ratio	%14	%13

Source: Türkiye Sigorta A.Ş. Financial Statements for the Periods 01.01.2020-31.12.2020 and 01.01.2021-30.12.2021 are taken from Independent Auditor's Report and Annual Reports.

### Peak and Bottom Closing Values of Company shares traded at BIST between 12.01.2021 and 30.09.2022

<b>Bottom (TL)</b>	<b>Peak (TL)</b>
3,94 (24.02.2022)	8,01 (14.09.2022)

Source: [www.borsaistanbul.com.tr](http://www.borsaistanbul.com.tr)

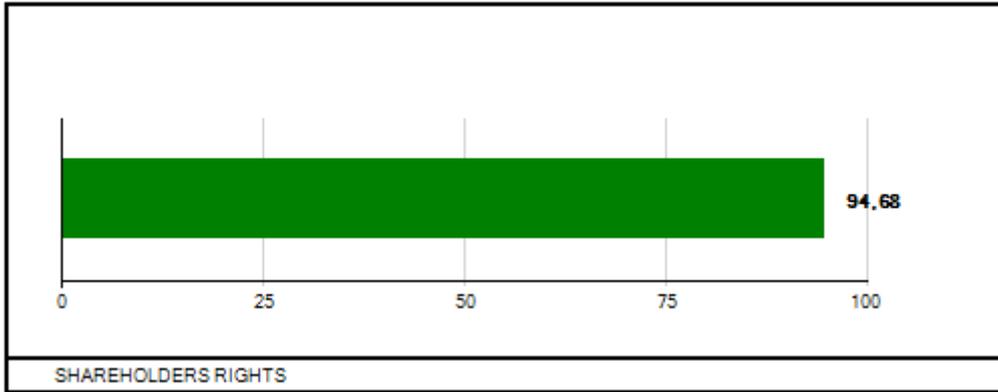
### The Market where the Capital Market Instrument is Traded and the Indexes that the Company is Included

BIST YILDIZ / BIST 100-30 / BIST KURUMSAL YÖNETİM / BIST MALİ / BIST 100 / BIST SİGORTA / BIST TÜM

Source: [www.kap.org.tr](http://www.kap.org.tr)

## 4.RATING SECTIONS

### A. SHAREHOLDERS



#### Overview

- ✓ Investor Relations Department has been established in order to conduct healthy relations with Shareholders.
  - ✓ The Investor Relations Unit regularly reports to the Board of Directors.
  - ✓ The 2021 general assembly was held in accordance with the relevant laws, regulations, and articles of association.
  - ✓ At the general assembly meeting, the shareholders were informed about the amount and beneficiaries of the donations and aids made during the period.
  - ✓ There are no arrangements making exercise of voting right difficult.
  - ✓ Dividend distribution policy has been prepared, presented to the approval of the General Assembly, and disclosed to public.
  - ✓ There is a regulation in the Articles of Association regarding the possibility of making advance dividend payments.
  - ✓ There is a provision in the articles of association that the general assembly meetings will be open to the public.
  - ✓ There is no restriction on transfer of shares.
- ✗ It would be appropriate to include the right to request a special audit as an individual right of the shareholders in the articles of association.
- ✓/✗ Including regulations in the articles of association that support the representation of the owners of publicly held shares in the management and expanding the minority rights regulations will strengthen compliance with the Corporate Governance Principles.
- In this section, as determined by CMB's Corporate Governance Principles, the company was evaluated on 111 different criteria, under the headings of **Facilitating the Exercise of Shareholders' Rights, Shareholders' Right to Obtain Information and to Examine, Shareholders' Right to Attend the General Assembly, Shareholders' Right to Vote, Rights of Minority Shareholders, Shareholders' Right for Dividend and Shareholders' Right to Transfer Their Shares to whomever they want, whenever they want.** The company's grade for this section has been revised as **94,68** points. The sub-headings of the main section of shareholders are given below in detail.
- a. **Facilitating the Exercise of Shareholders' Rights**
- Activities regarding the relations with shareholders are conducted by the Directorate of Investor Relations. Mr. Umut KOVANCI started to work as Investor Relations Director in December 2021. He owns Capital Market

Activities Level 3 and Corporate Governance Compliance Rating licenses. The duty of Investor Relations Manager is conducted by Ms. Fulden PEHLIVAN, and she was appointed as a Member of the Corporate Governance Committee in accordance with the CMB's Corporate Governance Communiqué No. II.17-1. The aforementioned development was announced to the public with the Material Disclosure of the same date. Ms. Pehlivan has Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses. She is responsible for Corporate Governance and Legislation Practices, CMB, MKK and Stock Exchange, Communication, General Assembly, KAP announcements, Annual Report and Sustainability in the company.

Mr. Eray DURAN, who works as the other Investor Relations Department Manager, is involved in the company's Investor Meetings, Analyst Meetings, Investor Presentations, keeping the investor relations information up to date on the company's corporate website, Stock Tracking, Economic and Sectoral Tracking, and Term Financial Presentation Meetings.

It has been seen that the aforementioned executives are at a sufficient level with the knowledge and experience required by the task and play an active role in protecting and facilitating the use of shareholders' rights, especially the right to obtain and review information.

Correspondence between the investors and the partnership and records of other information documents are kept in a healthy, secure, and up-to-date manner. Written information requests of the shareholders regarding the partnership are answered.

It has been determined that the Investor Relations Directorate regularly reports and makes presentations to the Board of Directors several times a year. During the rating period, the Investor Relations Directorate made 7 (seven) presentations to the Board of Directors together with the Corporate Governance Committee.

Any data that might affect the exercise of shareholders' rights are currently at disposal of shareholders on the corporate Internet website.

It has been determined that the Company has achieved rather good compliance with the Corporate Governance Principles in this subsection.

#### **b. Right to Obtain Information and to Examine**

The information and documents required for the proper exercise of shareholders' rights are presented to the shareholders, and to this end, the company's website <https://www.turkiyesigorta.com.tr/> is used as an efficient platform.

All information concerning the company has been given on time, truthfully and completely. There have been no warnings or penalties on this issue given by Regulatory authorities.

It has been learned that the applications and questions made by the shareholders are answered by telephone and e-mail without any discrimination. On the other hand, the company regularly holds conferences or meetings with the investors/analysts.

After the quarterly financial results are announced on the Public Disclosure Platform, the company holds meetings with portfolio companies and analysts, and at these meetings, the reflection of the company's quarterly activities on its financial results, sectoral developments and their effects are explained with cause and effect. The Company presents the audio recordings of these meetings, in Turkish and English, under the title of **Investor Teleconference**, to the information of all shareholders on the website [www.turkiyesigorta.com.tr](http://www.turkiyesigorta.com.tr).

The "Disclosure Policy" accepted by the Board of Directors was shared with the public on the corporate website of the company.

Financial Management Deputy General Manager is responsible for the execution of

the Company's Disclosure Policy. The disclosure policy has adopted as a principle that the Incorporation, its investors, employees, various business partners such as agencies and reinsurers, public institutions and therefore all stakeholders should access information in a complete, equal, fair, accurate, timely and understandable manner.

Shareholders' right to obtain information is explained in detail in the aforementioned policy. It is understood that in accordance with the company's disclosure policy, all shareholders, potential investors, and analysts are treated equally in the exercise of the right to receive and review information, and care is taken to deliver the disclosures with the same content to everyone at the same time. Within the framework of information sharing, all kinds of information that may be of interest to shareholders and market players are announced to the public through material disclosures, and material disclosures are also published on the corporate website of the company.

Shareholders' right to obtain information and to examine is not cancelled or restricted by the Articles of Association or any department of the Company.

Although there is no regulation in the articles of association regarding the shareholders' right to request the appointment of a special auditor from the general assembly, there are no internal regulations or practices that make it difficult to exercise this right.

### **c. Right to Attend the General Assembly**

The company's practices during the general assembly meeting process have achieved a good level of compliance with the principles within the scope of this section.

With the decision of the Board of Directors of the Company dated 01 March 2022 and numbered 4/26, the Ordinary General Assembly Meeting for the 2021 accounting period was held on 28 March 2022 at 14.00 at

the address of Levent Mahallesi Çayır Çimen Sokağı No: 7 34330 Beşiktaş-İSTANBUL.

The resolutions of the Company's Ordinary General Assembly Meeting held on 28.03.2022 for the year 2021 were announced by the Istanbul Trade Registry Directorate in the Trade Registry Gazette dated 12.04.2022 and numbered 10557.

Likewise, it has been understood that the financial statements, annual report, audit reports, profit distribution proposal of the board of directors, notifications and explanations required by the shareholding in accordance with the relevant legislation and Corporate Governance Principles, which should be made available for the examination of the shareholders within the framework of Article 437 of the TCC numbered 6102, were submitted to the information of the shareholders 3 weeks in advance.

It has been observed by attending the General Assembly that the General Assembly meetings are held in a way that will not cause inequality among the shareholders in order to increase the participation of the shareholders and that the shareholders will attend at the least possible cost.

Executives and auditors who are authorized to brief participants on special subjects and answer their questions have attended the meeting. In addition, executives who could provide information about the Company's activities were also present at the meeting.

Representatives of the company partners, members of the Board of Directors, the General Manager, the Independent Audit company representative, the executives reporting to the Financial Management Deputy General Manager, the Investor Relations Directorate and its team, the deputy managers who prepared the General Assembly meeting, and administrative personnel attended the meeting.

As the result of the review of General Assembly minutes and our observations, it is determined that the agenda items were voted separately, the votes were counted and

announced to the shareholders before the end of the meeting. Shareholders or their proxies who physically attended the meeting voted by raising their hands. It was observed that the chairman of the meeting took care to convey the topics on the agenda in an impartial and detailed manner, with a clear and understandable method, and the shareholders were given the opportunity to express their thoughts and ask questions under equal conditions.

It has been observed that the chairman of the meeting ensures that every question asked by the shareholders at the general assembly meeting, which is not considered as trade secrets, is answered directly at the general assembly meeting.

Likewise, the shareholders were informed about the amount and users of all donations and aids made during the period with a separate agenda item. The upper limit of donations and aids to be made in 2022 has been determined. Share Buyback Policy and Disclosure Policy were read at the meeting for the approval of the General Assembly, Remuneration policy and Compensation policy were presented to the General Assembly for information.

There is no general assembly resolution that has not been implemented in our rating period.

The company's articles of association included a provision that the general assembly meetings would be held open to the public, including the stakeholders and the media, without the right to speak, which was considered positive.

The members of the board of directors were not changed in the agenda of the general assembly meeting, and the Board of Directors of the previous period was re-elected.

#### **d. Voting Right**

Regulations that make it difficult to exercise the right to vote were not included in the articles of association or in the internal procedures, and each shareholder was given the opportunity to exercise his/her voting

right in the easiest and most appropriate way. There are no privileges in voting right.

According to the company's articles of association, each share has 1 (one) voting right.

It is possible for the shareholders to exercise their voting right in person or by proxies, whether a shareholder or not, at the general assembly meetings. The members are submitted with the specimen proxies to be used for this purpose on Public Disclosure Platform, at firm's headquarters and on corporate internet website.

In the information document prepared before the general assembly meetings, the rights, and obligations of the shareholders of the company that will participate in the general assembly meeting electronically or actually are given in detail.

The Company does not have a mutual affiliate which brings a relationship of sovereignty. Regarding this section, it has been observed that company practices are in compliance with the principles.

#### **e. Minority Rights**

There has been no violation of exercising basic minority shareholders' rights like attendance to the general assembly meeting, representation by proxy and imposition of no upper limit for voting rights. In this manner it has been observed that care is given to the exercise of minority rights.

However, there is no adjustments made to extend minority rights with Articles of Association and covering those shareholders who have less than 1 / 20 of the capital.

#### **f. Dividend Right**

Profit Distribution Policy of Türkiye Sigorta A.Ş. is implemented within the framework of the provisions of the Turkish Commercial Code, the provisions of the Insurance Law, the Capital Markets legislation and other relevant

legislation and in accordance with Article 24 of the Company's Articles of Association.

The Company aims to distribute at least 10% of its distributable net profit in the form of bonus shares and/or in cash.

Taking into account the cash projections, investment plans, financial structure, and conditions in the capital markets of the Company, the Board of Directors makes a proposal for dividend distribution at the end of each accounting period, in order to ensure that the delicate balance between the expectations of the shareholders and the growth needs of the Company is not disturbed.

The Company does not have any privileges in the distribution of dividends and the provision regarding the distribution of advance dividends is included in the Articles of Association.

Practices regarding profit distribution are explained in detail in Article 24 of the company's articles of association, which regulates profit distribution.

Again, in the same article it is stated that

The dividend will be distributed equally to all existing shares as of the distribution date, regardless of their issue and acquisition dates,

The distribution method and time of the profit that is decided to be distributed will be decided by the general assembly upon the proposal of the board of directors on this matter,

According to the provisions of the articles of association, the dividend distribution decision made by the general assembly cannot be revoked,

In accordance with the Capital Market Law and Communiqués, the General Assembly may decide to distribute advance dividends.

The profit distribution proposal of the board of directors dated 28.02.2022 and numbered 3/19 was discussed and accepted at the general assembly held on 28.03.2022 and it

was decided to pay the shareholders in cash as of 29.04.2022.

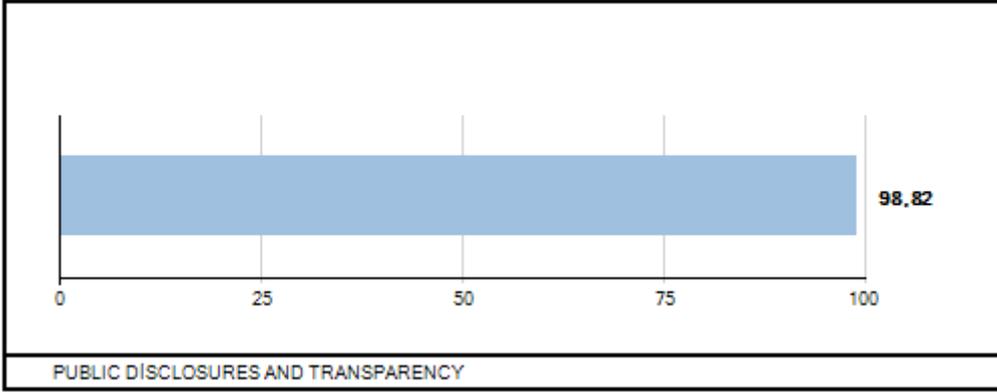
It has been determined that Türkiye Sigorta A.Ş. has achieved very good compliance with the Corporate Governance Principles in this subsection.

#### **g. Transfer of Shares**

There is no regulation in the articles of association that restricts the transfer of company shares.

The transfer of company shares is subject to the provisions of the Turkish Commercial Code, the Capital Markets Law, and the relevant legislation.

## B. PUBLIC DISCLOSURE AND TRANSPARENCY



### Overview

- ✓ A disclosure policy has been created, submitted to the approval of the general assembly, and announced to the public.
  - ✓ Corporate Governance Compliance Report (CGC) and Corporate Governance Information Form (CGIF) were prepared and disclosed to the public in accordance with the provisions of the relevant legislation.
  - ✓ The annual report includes the evaluations of the Board of Directors regarding the activities of the Committees, including the activities conducted, and the activities of the committees.
  - ✓ The annual report includes information on the risk management and Internal Audit policies that the company will implement against the foreseen risks.
  - ✓ Corporate website is used effectively as a current tool for public disclosures within the context as stated by the principles.
  - ✓ It has created the Share Buyback Policy and shared it with the public.
  - ✓ A Sustainability Policy was created and shared with the public.
- ✓/\* For the benefit of international investors, the information on the corporate website of the Incorporation should be prepared and made available in foreign

languages selected according to needs, with the same content as in Turkish.

As for this section, the Company has been assessed by **93** different criteria under the headings of **Corporate Website** and **Annual Report** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company's grade was revised as **98,82**. Establishing Share Buyback and Sustainability Policies and sharing them with the public constitute the reasons for the rating increase in this section.

Türkiye Sigorta A.Ş disclosures are made within the framework of the Disclosure Policy approved by the Board of Directors and approved at the General Assembly held on 28.03.2022.

The disclosure policy includes information on how, how often and in what ways the information to be disclosed to the shareholders, current and potential investors and the public will be announced, and the method to be followed in answering the questions directed to the company.

Financial Management Deputy General Manager and Investor Relations Directorate are responsible for implementing the Disclosure Policy. All notifications regarding the company are conducted in coordination with the Board of Directors, the Audit Committee, the Corporate Governance

Committee, the executives responsible for the Independent Audit reporting, and the Corporate Communications managers.

The company's 2021 consolidated external audit was conducted by PwC Bağımsız Denetim ve SMMM A.Ş. In the reports prepared on 08.02.2022, there has not been any situation where the independent auditor refrained from expressing an opinion, expressed a qualified opinion, or did not sign. During the meeting with the company officials, it was learned that there was no development that would harm the independence of the independent audit firm and its auditors and that there was no legal dispute. The same institution was elected as the independent auditor with the recommendation of the audit committee and the approval of the general assembly for the audit of the accounts and transactions of the 2022 operating year within the framework of the Capital Markets legislation, the Turkish Commercial Code, and the relevant legislation.

#### **a. Corporate Website**

The corporate website (<https://www.turkiyesigorta.com.tr>) is updated regularly and the website is being used as an active and effective platform for disclosure to public.

It has been determined that the information in the company's corporate website is consistent with the statements made as part of regulations and there is no missing or conflicting information.

In addition to the information that is required to be disclosed in accordance with the legislation, there is a lot of information on the company's website such as partnership and management structure as of the latest status, the committees of the board of directors and the working principles of the committees, the date and number of the trade registry gazettes in which the amendments were published, the final version of the company's articles of association, material disclosures, financial reports, annual reports, agendas of general assembly meetings, list of attendees and

meeting minutes, proxy voting form, profit distribution policy, information policy, remuneration policy, share buyback policy and frequently asked questions.

In this context, the last 5 years' data can be accessed from the website.

The English Corporate website includes only the information regarding the investor relations section. It would be appropriate to develop this application for other sections on the corporate website of the company.

In this subsection, it has been seen that Türkiye Sigorta A.Ş. has achieved a good level of compliance with corporate governance principles.

#### **b. Annual Report**

It is seen that the General Assembly annual report has been prepared in such a way that public can access comprehensive, complete, and correct information on company activities. Annual reports of the last five years are accessible for shareholders and the public in electronic environment.

The annual report for the accounting period ending on 31.12.2021 was signed and approved by the members of the Board of Directors of the company, with the Board of Directors decision dated 28.02.2022 and numbered 3/22.

It is possible to reach many topics in the annual report, including;

- Curriculum vitae and terms of office of members of the board of directors and senior executives,
- Information about the sector that company operates in and about its position within the sector.
- Information about the sources of financing of the enterprise,
- Report on Compliance with Corporate Governance Principles
- Independent auditor's report on the annual activity report.

Also, in addition to the issues specified in the legislation and other parts of the corporate governance principles, the annual reports include;

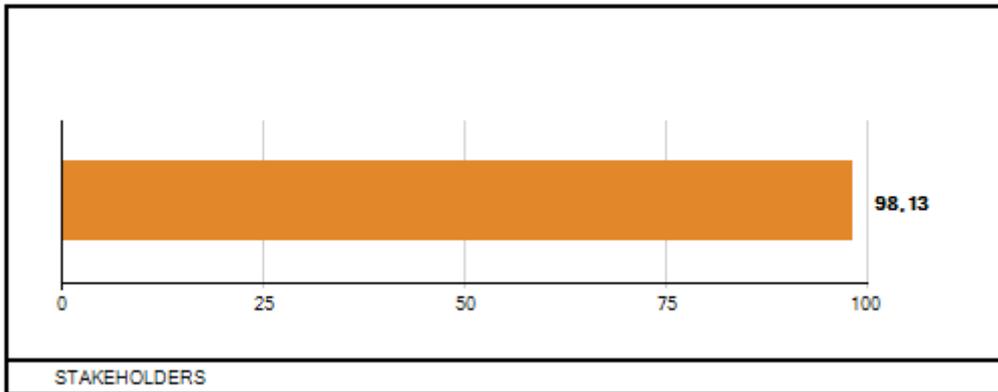
- Board members' and executives' ongoing jobs outside the company,
- Independence declaration of independent board members,
- Members of subcommittees within the board of directors and meeting frequencies of these committees,
- Changes of regulations, which might significantly affect company operations,
- Information about important lawsuits filed against the company and their possible consequences,
- Information about the social rights of employees, their professional education and
- A lot of information related to shareholders, potential investors, and the public.

On the other hand, Türkiye Sigorta A.Ş has disclosed the Sustainability Principles Compliance Framework to the public in its annual report in accordance with the provisions of the Communiqué (II-17.1.a) Amending the Corporate Governance Communiqué (II-17.1) published in the Official Gazette dated 02 October 2020 and numbered 31262.

The annual report includes information about the transactions made by the members of the management body with the company on behalf of themselves or someone else and their activities within the scope of the prohibition of competition within the framework of the permission granted by the company's general assembly.

In this subsection, it has been seen that Türkiye Sigorta A.Ş. has achieved a good level of compliance with corporate governance principles.

## C. STAKEHOLDERS



### Overview

- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
  - ✓ Human resources policy and many internal regulations concerning customers and stakeholders have been prepared.
  - ✓ The wage policy for the company's employees was established, submitted to the approval of the general assembly, and published on the corporate website of the company.
  - ✓ Training procedures for employees have been established.
  - ✓ There are no complaints made by employees about discrimination and difficulties in getting their rights.
  - ✓ Within the scope of trade secret, attention is paid to the confidentiality of information about the parties with whom commercial relations are conducted.
  - ✓ The Sustainability Principles have disclosed the Compliance Framework to the public in the annual activity report.
- ✓/✗ It would be appropriate to develop mechanisms and models supporting the participation of employees and stakeholders in the company management and to include them in

the Company's articles of association and internal regulations.

In this section, the Company has been assessed by **104** different criteria under the headings of **Corporate Policies on Stakeholders, Supporting Stakeholders' Participation in Company Management, Company Policy on Human Resources, Relations with Customers and Suppliers, Ethical Rules and Social Responsibility and Sustainability** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **98,13**.

#### a. Corporate Policies on Stakeholders

The Corporate Governance Principles describe the Stakeholders as an individual, organization or interest group as employees, creditors, customers, suppliers, trade unions, various non-governmental organizations having an interest in attainment of company's objectives or in its operations. It is concluded that Türkiye Sigorta A.Ş. protects stakeholders' rights, which are specified in regulations and mutual contracts.

The Company shares information with its stakeholders at meetings held within the company, through communication channels regarding practices, via e-mail and through the bulletins issued by the Company.

It has been observed that the company respects the rights of the stakeholders regulated by the legislation and mutual agreements, and in cases where the rights of the stakeholders are not regulated by the legislation, it is in an effort to protect the interests of the aforementioned group within the framework of goodwill rules and within the company's possibilities, taking into account the reputation of the company, and many internal regulations have been made for this purpose.

Necessary mechanisms and whistleblowing lines have been established for stakeholders to report transactions that are against the legislation and are unethical.

The changes made in the Remuneration Policy and Compensation policies for the company's employees were submitted to the information of the shareholders at the general assembly dated 28.03.2022 and disclosed to the public on the corporate website.

It is determined that the stakeholders are adequately informed about the Company's policies and procedures regarding the protection of their rights.

It has been seen that the company's practices in this subsection are in compliance with the principles.

#### **b. Supporting Participation of Stakeholders in Corporation's Management**

The articles of association and/or internal regulations do not contain regulations supporting the direct participation of stakeholders in the company management. However, it has been shared that employees' opinions are indirectly taken in important decisions.

Methods such as surveys, request collection, filling out suggestion forms, and consultation are applied in order to ensure the participation of the employees in the management and to get the opinions of the stakeholders in

important decisions that have results for the stakeholders.

This model, which can support the participation of employees in company management, is currently being implemented and it is recommended to develop it and ensure that it is included in the articles of association and internal regulations.

#### **c. Human Resources Policy of the Corporation**

With the Human Resources policy, it is aimed to employ the employees needed to achieve the Company's goals and strategic goals, to provide a working environment that will increase performance and productivity, to reward achievements, to support training and development programs and career plans.

The organizational structure of the company has been determined according to the working conditions, the units, the number of people to be employed in these units and their qualifications have been written down with in-house regulations.

At the end of August 2022, 1.486 people were employed at Türkiye Sigorta A.Ş.

The employees are organized within the body of BASS, the Bank Finance and Insurance Workers Union affiliated with TÜRK İŞ, and a collective labor agreement covering the dates 01.05.2021 - 31.12.2023 was signed with the union.

Freedom of association and/or membership is not restricted, provided that permission is obtained.

Türkiye Sigorta A.Ş. After the mergers, Türkiye Sigorta Akademisi was established to provide training services to all stakeholders as well as its employees. Annual training needs analyzes of the personnel are made and the trainings prepared under the main headings of professional technical, personal development, corporate development, compulsory training, and licensing training are offered to the employees throughout the year. In addition,

training requests in line with urgent needs are met in coordination with business units. Employees can access training on any subject they want 24/7 through the online learning platform training catalog within Türkiye Sigorta Akademisi. Other development and learning programs such as certificate programs, foreign language education, internal trainer training and development programs, agency academy, which are conducted in cooperation with universities throughout the year, are also conducted by the Education unit.

During our rating period (12.01.2022-15.10.2022), 16.187 hours of training were provided to its employees.

The Company's development of a human resources policy in line with the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey, and the legal framework regulating human rights and working life in Turkey, and the creation of stock acquisition plans for its Employees will carry the compliance with the principles to a higher level.

In this subsection, it has been determined that company practices are compliant with corporate governance principles.

#### **d. Relations with Customers and Suppliers**

**Türkiye Sigorta A.Ş.** prioritizes customer satisfaction in its activities.

The company, which is a member of the Turkish Insurance Association and the Turkish Investor Relations Association (TUYID), has ISO 9001 (Quality Management System), ISO 10002:2018 (Customer Satisfaction Management System) and ISO 18295:2017 (Customer Relationship Management System) quality certificates.

Within the scope of these quality certificates, it has also been certified by an external audit firm that processes that will ensure that customer expectations and needs are met continuously and promptly, the ability to measure customer satisfaction, receive feedback, and turn them

into action, business processes for investigating and resolving customer complaints and demands, and continuously increasing customer satisfaction, quality control, reporting, training, performance and forecasting systems for call centers are carried out at international standards.

In addition, the confidentiality of information is given importance and care is taken to use the necessary technology in this regard.

Company practices related to this section are in compliance with corporate governance principles.

#### **e. Ethical Rules, Social Responsibility**

A set of Ethical Rules and Principles that all employees must comply with has been prepared and disclosed to the public on the company's corporate website and annual activity reports.

The Ethical Principles of Türkiye Sigorta A.Ş. include the general principles that must be maintained while the employees are performing their duties and the regulations regarding the working order. The purpose of these principles is to prevent all kinds of disputes and conflicts of interest that may arise between employees, customers, and the Company.

Objectivity, honest and fair treatment, confidentiality, and institutionalism are adopted as basic principles. With the principle of confidentiality, it is aimed to ensure confidentiality within the company, to protect personal information of customers, and to information security of assets and resources owned by Türkiye Sigorta.

All employees are obliged to comply with the Turkey Insurance Information Security Policy Agreement, all policies, procedures, and practices within the organization regarding information security at Türkiye Sigorta A.Ş. and to notify the relevant manager as soon as possible when they realize that there is an inappropriate situation.

Ethical principles shared by the company with the public include the titles of Relations with Company Employees, Sales Channels and Other Stakeholders, Relations with State and Public Institutions, Relations with Customers, Suppliers and Other External Organizations, Media Relations, Conflicts of Interest, Borrowing, Political Activities, Donations, Additional Employment and Disclosure of Nonconformities.

The company has established its policy regarding Corporate Social Responsibility, and it has been accepted at the Board of Directors meeting held on September 29, 2022.

The company sponsored the VakıfBank Volleyball Team, which won the 7th Turkish Cup and the 4th Spor Toto Champions Cup in 2021, and also won the CEV Champions League silver medal, as well as the 12th Turkish League Championship. It continues in 2022 as well.

It has been seen that the company's practices in this subsection are in compliance with the principles.

#### **f. Sustainability**

Türkiye Sigorta A.Ş. has disclosed the Sustainability Principles Compliance Framework to the public in its annual report in accordance with the provisions of the Communiqué (II-17.1.a) Amending the Corporate Governance Communiqué (II-17.1) published in the Official Gazette dated 02 October 2020 and numbered 31262.

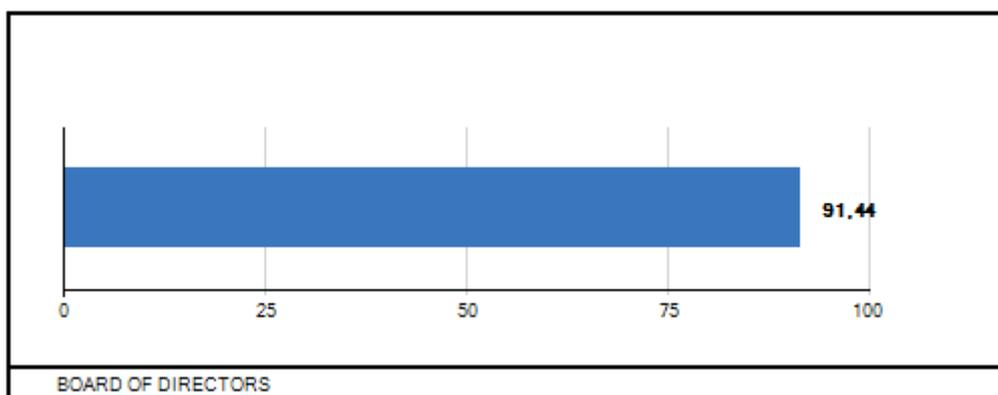
The Corporate Sustainability Policy is reviewed once a year by the Sustainability Working Group. The realizations of the annual targets determined within the scope of the policy are monitored by the Sustainability Working Group on a monthly basis and reported to the Board of Directors twice a year in semi-annual periods.

Short and long-term plans have been determined for the company's sustainability efforts. In addition, the current position of the

Company in accordance with the Sustainability Principles Compliance Framework, showing the photograph of the current situation, is disclosed in the annual report.

Türkiye Sigorta pays utmost attention to the protection of natural resources by conducting activities that consider environmental impact.

## D. BOARD OF DIRECTORS



### Overview

- ✓ The Board of Directors has determined the strategic goals of the company and the human and financial resources it will need.
  - ✓ No person in the Company has the authority to decide solely and in an unrestricted fashion.
  - ✓ The number of Board Members is adequate for them to work productively and constructively.
  - ✓ It has been ensured that the majority of the members of the board of directors are non-executive members.
  - ✓ Two of the non-executive board members are independent members.
  - ✓ Every Board Member has one vote.
  - ✓ There is not any loan/credit involvement between Board Members and company.
  - ✓ Working principles of the board of directors have been determined
  - ✓ Corporate Governance, Audit and Early Detection of Risk Committees stated in the principles have been established and working principles are determined.
  - ✓ The financial liability insurance of the members of the Board of Directors was partially made and announced on the Public Disclosure Platform on 10.08.2022.
  - ✗ There are no female members in the board of directors, a target ratio and policy has not been determined for the female member ratio, provided that it is not less than 25%.
  - ✗ Self-criticism and performance evaluation are not made in the board of directors.
  - ✓/✗ It would be appropriate to disclose the remunerations and other benefits provided to the members of the board of directors and executives with administrative responsibility in the annual report on an individual basis.
  - ✓/✗ It would be appropriate to ensure that company employees are represented on the board of directors.
- In this section, the Company has been assessed by **148** different criteria under the headings of **Function of the Board of Directors, Principles of Activity of the Board of Directors, Structure of the Board of Directors, Procedure of Board of Directors Meetings, Committees Formed within the Structure of the Board of Directors and Financial Rights Provided for the Members of the Board of Directors and Executives** as laid down by the Capital Market Board's Corporate Governance Principles, for which the Company's grade has been revised as **91.44**.

#### **a. Function of the Board of Directors**

By the strategic decisions it takes, Board of Directors manages and represents the company, keeping the risk, growth and return in balance while paying attention primarily to company's long-term interests under a reasonable and prudent risk management approach. In this sense, Board of Directors has described the corporate strategic objectives, and determined necessary human and financial resources. It also monitors company activities to be in compliance with regulations, Articles of Association, internal procedures and policies and it supervises management performance.

Board of Directors is authorized to make decisions, to determine strategy and represent the company at the highest level.

Türkiye Sigorta A.Ş.'s applications of in this subsection are in accordance with the principles.

#### **b. Principles of Activity of the Board of Directors**

It is our impression that the Board of Directors conducts its activities in an open, accountable, fair, and responsible fashion.

The distribution of responsibilities among board members, as well as their duties and powers are disclosed to public in the annual report.

It has been learned that the Board has established internal control systems, including risk management and information systems and processes, which can minimize the effects of risks that may affect the company's stakeholders, especially shareholders, and that it reviews the effectiveness of risk management and internal control systems at least once a year.

No person in the Company has the authority to decide solely and in an unrestricted fashion. Different persons have undertaken the duties of the chairman of the board of directors and the general manager, but the duties of the vice

chairman of the board of directors and the general manager are conducted by the same person.

It is thought that Board of Directors plays a leading role in the maintenance of effective communication and in easing and resolving disputes that might arise between the company and the shareholders. For this purpose, the Board of Directors is in close cooperation with the Investor Relations Directorate.

It is thought that the board of directors is in constant and effective cooperation with the managers while fulfilling its duties and responsibilities, and it has been learned that the managers attend the board of directors' meetings when it is necessary.

Damages caused by the faults of the members of the board of directors during their duties in the company are partially insured.

It would be appropriate to separate the powers of the chairman of the Board of Directors and the chief executive officer/general manager clearly and to express this separation in writing in the articles of association.

Regarding this subsection, it has been determined that the company has complied with the Corporate Governance Principles.

#### **c. Structure of the Board of Directors**

The Board of Directors of the Company consists of a total of 6 (six) persons, including a chairman and 5 (five) members. The requirement of having at least 5 (five) members to form the Board has been met and the number of Board Members found sufficient to serve effectively and productively and to form and efficiently organize activities of committees.

There are executive and non-executive members in the board of directors. As of the report date, 1 (one) member of the Board of Directors consists of executive members and the other 5 (members) non-executive

members. With this structure, the Board complies with the principle that the majority of its members are non-executive members. 2 (two) of the non-executive members of the board of directors are independent members in accordance with the definitions in the corporate governance principles. The independent members of the board of directors received their written declarations regarding their independence within the framework of the criteria set out in the legislation, articles of association and principles and shared it with the public in the annual report.

There are no female members in the Board of Directors.

It is required that the company will set a target rate and target time for female members in the board of directors, not less than 25%, establish a policy to achieve these targets, and the board of directors will annually evaluate the progress made in achieving these targets, in order to take its compliance with corporate governance principles one step further.

Company's practices in this subsection comply with the principles.

#### **d. Procedure of Board of Directors Meetings**

Article 11 of the company's articles of association includes the meeting and decision quorum of the board of directors. Each member of the board of directors has right of one vote. The Board of Directors convenes at the invitation of the Chairman or upon the written request of one or more members, not less than once a month, as required by the Company's business. Meetings can be held at the company headquarters or at another location agreed.

In order for the decisions of the Board of Directors to be valid, the majority of the members must attend the meetings. Decisions are taken with the majority of the members attending the meeting. This rule also applies if the Board of Directors meeting is held electronically. Members of the Board of Directors cannot vote to represent each other,

and they cannot attend meetings by proxy. If the votes are equal, the discussed issue is postponed to the next meeting. If the equality continues in the second meeting, the proposal is deemed to be rejected.

From the examinations made on the meeting minutes of the board of directors, it was determined that the board convened 18 (eighteen) times as of our rating period.

It has been observed that the meetings of the board of directors are held in accordance with the regulations of the legislation and the articles of association regarding the meetings of the board of directors, and the meeting processes are also written down with the internal regulations of the company.

It would be appropriate to limit and set certain rules and limitations for a member of the Board of Directors who is on duty, to take on other duties outside the company.

In this subsection the Company has achieved a good compliance with corporate governance principles.

#### **e. Committees Formed within the Structure of the Board of Directors**

In order for the Board of Directors to fulfil its duties and responsibilities soundly, Audit Committee, Corporate Governance Committee and Early Detection of Risk Committees have been established. Due to the structure of the Board of Directors, a separate Nomination Committee and Remuneration Committee have not been established, and the duties of these committees are conducted by the Corporate Governance Committee. The working principles of the corporate governance committee have been prepared in accordance with this structuring.

The duties, working principles and the members of the committees were determined by the board of directors and approved by the board as written documents and disclosed to the public via the Official website.

Apart from these committees, which are determined according to the Company's Principles, there are Strategy Management Committee and Information Technology Management Committees.

All the members of the Audit Committee are elected from among the independent members of the board of directors, and the chairmen of the other committees are elected from among the independent board members, and the general manager does not take part in the committees.

All sources and support are provided by the Board to ensure that the committees perform their duties.

**The Audit Committee** is composed of 3 (three) members with the independent status. One member is not a member of the board of directors. This member has been determined in accordance with Article 5 of the Regulation on Internal Control Systems in the Insurance and Private Pension Sectors. The job descriptions of the audit committee are determined in Article 14/C of the company's articles of association.

The Committee monitors performance and effectiveness of company's accounting system, public disclosure of financial information, independent audit, and internal control system. The selection of independent audit company and supervision of its work at every stage is implemented by the audit committee. The Committee reviews the systems, processes, and activities of the company on accounting system, financial reporting, public disclosure, internal control and internal audit system, independent external audit, compliance with laws, regulations, and ethical principles.

Internal audit activities at Türkiye Sigorta A.Ş. are conducted by the Internal Audit Department, which reports directly to the Board of Directors, in accordance with the provisions of the Regulation on Internal Systems in the Insurance and Private Pension Sectors.

The activities of the Risk Management Department and the Internal Control Department are conducted under the Audit Committee within the framework of the principles defined by the same Regulation.

The Audit Committee held 13 meetings during our rating period.

**Corporate Governance Committee;** The duties and definitions of the Corporate Governance Committee are clearly defined in Article 14/B of the company's articles of association.

It is responsible for determining whether the corporate governance principles are applied in the Company, if not, the reason and the conflict of interest arising from not fully complying with these principles and explaining them to the public with a corporate governance compliance report.

The said committee is composed of 3 (three) members. Its chairman is an Independent Member of Board. Another member has no executive duties. Another member serves as the Investor Relations Manager and has been appointed as a member of the Corporate Governance Committee in accordance with the Capital Markets Board's Communiqué II.17-1.

In this way, a structure has been made in accordance with the principle that if the Corporate Governance Committee consists of two members, both of them, and if it has more than two members, the majority of the members are composed of non-executive members.

The committee held 7 (seven) meetings during our rating period.

**Early Detection of Risk Committee;** Its duties and definitions are determined in Article 14/D of the company's articles of association. It consists of 3 (three) members and the chairman of the committee is an independent member. Another independent member has no executive duties. One membership is fulfilled by the Deputy General Manager.

The committee held four meetings during our rating period. It conducts risk audits every two months in accordance with the provisions of the Turkish Commercial Code and conveys the audit results to the board of directors.

It has been determined that all committees regularly report on their work to the Board of Directors. The committees are composed of the following members:

#### **Audit Committee**

Name/ Surname	
Murat AKBALIK	Chairman (Independent)
Mehmet AYDOĞDU	Member (Independent)
Gürdoğan YURTSEVER	Member (Head of Internal Systems)

#### **Corporate Governance Committee**

Name/ Surname	
Murat AKBALIK	Chairman (Independent)
Murat AKGÜÇ	Member (Not Executive)
Fulden PEHLİVAN	Member (Investor Relations Manager)

#### **Early Detection of Risk Committee**

Name/ Surname	
Murat AKBALIK	Chairman (Independent)
Mehmet AYDOĞDU	Member (Independent)
Murat SÜZER	Member (Deputy General Manager)

#### **f. Financial Rights Provided for Members of the Board of Directors and Executives**

The principles of remuneration of the members of the board of directors and executives with administrative responsibility were put in writing, submitted to the approval of the general assembly, and shared with the public electronically.

It has been seen that actions have been taken in compliance with the principle, which states that stock-options or payment plans based on corporate performance should not be used for

remuneration of independent members of board. The emoluments of independent directors are sufficient to protect their independency.

It has been learned that the Company has not lent or extended loan to any member of board or top executive or made available any credit under personal loan through any third person or provided securities such as surety in favor of them.

Performance measurements to be used in rewarding and dismissing the members of the board of directors have not been established yet.

On the other hand, it is seen that the remunerations and all other benefits provided to the members of the board of directors and top executives, although not on an individual basis, are disclosed in the annual report. However, it would be appropriate to fulfill the requirement that this information be disclosed on an individual basis.

**5. KOBİRATE ULUSLARARASI KREDİ DERECELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ**  
**A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DEFINITIONS**

<b>GRADE</b>	<b>DEFINITIONS</b>
<b>9-10</b>	<p>The Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.</p>
<b>7-8,9</b>	<p>The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are fairly considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.</p>
<b>6-6,9</b>	<p>The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established and operated, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interests of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of, but improvement is needed. Some improvement is required in the structure and working conditions of the Board.</p>

GRADE	DEFINITIONS
4-5,9	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, the structure and working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.</p>
< 4	<p>The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency, structure and working conditions of the Board and they are at a level that might cause the investor to incur material losses.</p>

